

**Memo of Record**  
**Research, Economic Development and Commercialization Policy Group**  
**Council on Postsecondary Education**  
**January 30, 2006**

Attendance	The Research, Economic Development and Commercialization Policy Group, a committee of the Council on Postsecondary Education met Monday, January 30, 2006, at 8:00 a.m. at the Northern Kentucky University Metropolitan Education and Training Services (METS) Center for Corporate Learning in Erlanger, Kentucky. Chair Greenberg presided. The following members attended: Ron Greenberg, Ex Officio, Alois Moore, Dan Flanagan, John Turner, and Allyson Handley, Council Staff. John Hall, Chair, and Kevin Canafax
Introductory Remarks	Mr. Ron Greenberg called the meeting to order and welcomed members. Mr. Greenberg made note of the recent publication of the Lane Report highlighting Research in Kentucky. Copies made available to attendees.
Discussion	<p>Mr. Greenberg gave an overview of the meeting.</p> <p>Draft Trust Fund Guidelines</p> <p>Mr. Greenberg opened the discussion of the Draft Trust Fund Guidelines by asking how we get some world-class research to Kentucky that can be converted into commercialization as quickly as possible. We need to focus on this to become as productive and aggressive as we can.</p> <p>Ms. Sandy Woodley, CPE Vice President for finance, explained and clarified the match process.</p> <p>Mr. Greenberg moved on to the allocation of program funds and stated there needs to be a discussion of what are the foundations of the split between UK and U of L? Should this allocation be reexamined? A discussion of this will be ongoing for some time. The match requirements need to be reexamined to accommodate both UK and U of L which have different foundation affiliations to help this money grow in the most flexible way possible. Ms. Woodley clarified for discussion the differences of the two institutions from the financial standpoint. Mr. Greenberg asked that everyone work together to get this language as flexible as we can to accommodate the different institutions and still work within the guidelines so this money can continue to grow.</p> <p>Mr. Greenberg began the discussion of the support for research scholars. Ms. Woodley clarified the item by stating it is currently a pilot program with UK where they fund research scholars in an attempt to help them develop into endowed and program chairs; kind of a "grow your own" program. UK now wants to expand beyond medicine to all disciplines. The Council feels it is too early to evaluate the program and does not want to expand at this time. The program just began and the program has a six year life span (set up to work along side the tenure cycle). Ms. Alois Moore wondered how we keep these people at our institutions. What keeps them from getting this training and going somewhere else? Dr. Thomas Layzell indicated that was a concern of the Council but the practical response is</p>

that within a couple of years the institution is going to know if the research scholar is a productive scholar or not. There is no report to review at this time but the current opinion is that this program works well for the Medical School and needs to be expanded to other disciplines. Mr. Greenberg would like a thorough review before expanding and would like to limit the disciplines for the next round. Can this be used as a new model for non-tenure track researchers? It was recommended that the current policies continue.

No Action required.

As a summary, the Council staff will work with the Universities, auditor and LRC staff and see how this can be made to be as flexible as possible and then bring it back to the committee for review and action.

#### Research Support Guidelines

Ms. Woodley explained that the Council requested funds for research support in addition to the Bucks for Brains. The two are linked to help build the research infrastructure for UK and U of L. The Governor's budget listed a smaller amount of money than the Council requested. The funds need to be divided into reoccurring and non-reoccurring funds. Since there is a lower level of funding, U of L has requested that they be given more flexibility on how they use the funds as long as it is related specifically related to their research mission. This is the request before the Council. The guidelines will be revised to reflect percentages rather than exact amounts to be consistent with the levels of funding. Mr. Greenberg commented that this money is insufficient to maintain a high level of productivity in the labs of all institutions. Ms. Woodley indicated that those changes can be made. Conversations will be had with UK and U of L to incorporate the flexible changes needed in the guidelines to help keep the technology current with the lower funds. Results of the discussion and recommendations will be brought back to the committee. No action required at this time.

#### CPE Priority Initiatives

Dr. Allyson Handley began with the set of priority initiatives. The first is to develop a state wide translational research and economic development policy. The recommendation is that a task force be put together with the appropriate people representing the entities to establish and make specific recommendations and benchmarks. We are suggesting that there be a final report from this task force by September. This will give time for additional research, discussion, and buy-in. With respect to the recommendation that there is created an oversight board, we believe that would likely require some legislation. Because of the thoughtfulness of how we ought to proceed, it would seem that in creating a new governance model for higher education research, we would want to have discussion at the Council level and be looking at the next legislative session if it were deemed appropriate to make some adjustments and changes and have a true oversight board.

Mr. Greenberg spoke to this issue and wondered how, in our current

economic environment, do we help Kentucky move ahead? What incentives could we use to attract high level researchers? How do we get the universities to get on board? Is there a way to use money from future tax streams to go back to the universities for research? Additionally, what about creating two new translational research buildings? One for each university. To do this we need a business model that is focused on commercialization profits and not necessarily basic research sciences. Mr. Turner wondered if other institutions use partnerships with private corporations to commercialize research. Mr. Greenberg said that there are many different models around the country. A small number and growing with a good amount of venture capital and very entrepreneurial. Dr. Jim Ramsey indicated that venture capital is limited in Kentucky. U of L was able to pull together a group to establish a venture fund to provide seed money. This will have two outcomes, first our own research will be looked at and second we'll be able to develop our own seed ventures. Mr. Greenberg mentioned that U of L and Coldstream lack the capital they need to really jump-start the significant research there. UK and U of L are both using their own funds for venture capital at this time. Dr. Handley mentioned that the Kentucky Science and Technology Corporation (KSTC) manages funds for start-ups and some research. The application rate has doubled and tripled and they are not able to fund them all. Mr. Greenberg reminded the committee that there are not big returns without money for venture capital. We need to be more creative in finding ways to fund this research.

Dr. Handley continued with the next item – funding for postsecondary education. This was covered in the full council session.

Dr. Handley proceeded to the third item: improved quality and accountability. CPE is actively involved with KDE (Kentucky Department of Education) in raising the standards for public education. In rural portions of Kentucky it is difficult to secure the teachers for these improvements to the curriculum of the high schools.

Mr. Turner introduced the fourth item: the role of board members. The visits to the presidents and board chairs have been completed. We have learned a lot. No one knows what CPE stand for. We need to do a better job of articulating our mission. The board consensus is that there is some development and clarification that needs to be made. General board roles and responsibilities – difficulty differentiating in board meetings between policy roles and administrative roles. A repository of postsecondary best practices and measures needs to be articulated to give to board members. This will help promote the mission of postsecondary education.

The final issue: Communicating with legislators will be discussed during the general session as well. Dr. Handley noted the fine job Sue Patrick has done with communication.


Dr. Handley discussed information items included for the committee during this meeting. Lane Report – research. "Do You Know..." brochure, Southern Innovation Summit, Midwest Education to Workforce, National Small Business Innovation Research conference, Reprint of the op-ed on

"The World Is Flat."

Mr. Greenberg asked about the BIO Conference coming up in April.

Adjournment

The meeting adjourned at 9:20 a.m.

  
Allyson Hughes Handley  
Senior Policy Advisor for  
Economic Initiatives  
Pegge Woolums  
Executive Secretary